

# Exhibit 5

1  
2 UNITED STATES DISTRICT COURT  
3 SOUTHERN DISTRICT OF NEW YORK

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5 BENJAMIN ASHMORE,

6 Plaintiff,

7 -against-

11 Civ 8611  
(JMF)

8 CGI GROUP, INC. AND CGI FEDERAL  
9 INC.,

10 Defendants.  
11  
12 - - - - -x

13 DEPOSITION of LESLIE PIERCE, taken by  
14 Plaintiff, pursuant to Notice, held at the  
15 offices of Kaiser, Saurborn & Mair, P.C., 111  
16 Broadway, New York, New York, on Thursday, July  
17 25, 2013, commencing at 10:30 a.m., before  
18 Margaret M. Harris, a Shorthand (Stenotype)  
19 Reporter and Notary Public within and for the  
20 State of New York.  
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A P P E A R A N C E S:

KAISER, SAURBORN & MAIR, P.C.  
Attorneys for Plaintiff  
111 Broadway  
New York, New York 10006

BY: DAVID N. MAIR, ESQ.

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Attorneys for Defendants  
111 Washington Avenue  
Albany, New York 12210-2211

BY: STUART KLEIN, ESQ.

P R E S E N T:

Marybeth Carragher  
Benjamin Ashmore

1  
2 IT IS HEREBY STIPULATED AND  
3 AGREED that the filing and sealing of  
4 the within deposition be, and the same  
5 are hereby waived;

6 IT IS FURTHER STIPULATED AND  
7 AGREED that all objections, except as  
8 to the form of the question, be and  
9 the same are hereby reserved to the  
10 time of the trial;

11 IT IS FURTHER STIPULATED AND  
12 AGREED that the within deposition may  
13 be sworn to before any Notary Public  
14 with the same force and effect as if  
15 sworn to before a Judge of this Court;

16 IT IS FURTHER STIPULATED that  
17 the transcript is to be certified by  
18 the reporter.  
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1  
2 L E S L I E P I E R C E, called as a witness,  
3 having been first duly sworn/affirmed by  
4 Margaret M. Harris, a Notary Public within  
5 and for the State of New York, was examined  
6 and testified as follows:

7 EXAMINATION

8 BY MR. MAIR:

9 Q Good morning, Mr. Pierce.

10 A Good morning.

11 Q My name is David Mair. I am  
12 representing Ben Ashmore in a lawsuit that he's  
13 brought against CGI.

14 I'm going to be taking your  
15 deposition here this morning. Essentially it's  
16 going to involve me asking you a series of  
17 questions which you're going to answer.

18 If at any point in time you don't  
19 hear the question or you don't understand the  
20 question, I'd like you to let me know and I'll  
21 either repeat it or rephrase it for you.

22 If you answer the question, then  
23 I will assume that you've both heard it and  
24 understood it.

25 Okay?

1 Pierce

2 A Okay.

3 Q A couple of other rules, just to  
4 make sure we get an accurate transcript. If you  
5 can try to wait for the full question, for me to  
6 ask my full question, even if you anticipate  
7 what I'm going to say, that way we can get it  
8 down on the record and I'll try to do the same  
9 with your answer.

10 Also can you verbalize your  
11 responses, not simply nod or shake your head or  
12 gesture, because, again, we need to take it down  
13 on the transcript.

14 A Yes.

15 Q What is your full name?

16 A Leslie Wayne Pierce.

17 Q And by whom are you currently  
18 employed?

19 A CGI Federal.

20 Q What is your current title?

21 A Director, consulting services.

22 Q And how long have you been  
23 employed by CGI or one of its corporate  
24 predecessors?

25 A Thirteen years, approximately.

1 Pierce

2 Q So the year that you began was  
3 what?

4 A 2000.

5 Q Before I ask you about CGI, I  
6 would like to ask you some questions about your  
7 background.

8 Can you tell me what your formal  
9 education is?

10 A As in college?

11 Q Yes, as in any post high school  
12 education that you have.

13 A My degree is in molecular  
14 biology, a bachelor's of science.

15 Q From where?

16 A University of Texas in Austin.

17 Q What year?

18 A I graduated 1992.

19 Q Any other degrees or other formal  
20 education post high school?

21 A Yes. Master's of business  
22 administration.

23 Q From?

24 A Ohio Dominican.

25 Q That's a college?

1 Pierce

2 A Yes, local university in  
3 Columbus, Ohio.

4 Q What year did you get that?

5 A 2007.

6 Q Any other post high school formal  
7 education?

8 A No.

9 Q Can you give me an overview of  
10 your work history between graduating in 1992 and  
11 starting at CGI?

12 A I will do my best, if I can  
13 recall all of it, all the places that I've  
14 worked.

15 So post the University of Texas,  
16 I worked in a clinical lab and then I worked for  
17 the State of Texas in an environmental lab.

18 Then I worked for Cendant  
19 Corporation, which no longer exists, but that's  
20 who I worked for with Jackson Hewitt, and then I  
21 left there and came to work for CGI.

22 Q I want to try to put some time  
23 periods onto this.

24 What was the time period or the  
25 years that you worked for the clinical lab?

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A I started working for them in '91, so probably '91 to '93 I think is the time period.

Q And where was the clinical lab?

A Austin, Texas.

Q Was it affiliated with the university?

A No.

Q Who ran the lab, what entity?

A It was a group of doctors, pathology doctors, pathology lab.

Q What did you do there?

A I was a cytotech, cytology technologist.

Q Cytology tech?

A Yes.

Q What did that entail?

A I was responsible for receiving various samples from doctors who came in from various parts of the state, and we were responsible for preparing those samples to be evaluated or to be read by the cytotechs to determine if there were malignancies and things like that.

Pierce

Q When you're saying, I don't know if I have the word correct, the techs are what kind of techs?

A Cyto, C-Y-T-O.

Q C-Y-T-O.

A Yes, cytotech. Yes, cytology, which is the study of cells.

Q Got it, okay.

And then you next worked for the State of Texas in an environmental lab.

What time period was that?

A From '93 to '97.

Q What did you do there?

A There I was originally hired as a lab technician and was responsible for preparing samples for analysis of various pesticides and insecticides and metals from samples that came from around the state.

Q And did you do that the entire time that you worked there?

A No. I became, was promoted to a chemist, so became an environmental chemist and from there still doing the same analysis, looking at primarily water samples and soil

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Pierce

samples for insecticides and pesticides.

Q So you were a chemist when you  
left there?

A That's correct.

Q And then you went to Cendant  
Corp.

What was the time period that you  
were there?

A Cendant, I was there from '97  
until 2000.

Q What did you do there?

A Cendant was, at the time was the  
largest franchise holder, so they were the owner  
of Jackson Hewitt tax service, so I was a  
general manager for Jackson Hewitt.

Q Jackson Hewitt was what?

A Tax service.

Q Tax service?

A Tax preparation.

Q So a change of field?

A Yeah.

Q And you were the general manager  
of what there?

A General manager of the entire

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Pierce

operation, so I was responsible for the Columbus, developing, opening and developing the Columbus market.

Q So you were the general manager of the Columbus office of Jackson Hewitt?

A It was multiple offices.  
So I was the general manager of the entire region, the entire city.

Q So for the Columbus city operations?

A Yes.  
Q How many offices?

A Initially ten offices.

Q Why did you leave Texas and go to Cendant?

A I was recruited.  
Q You were recruited by Cendant?

A Yes, I guess -- which reminds me, because I actually worked for Jackson Hewitt at that time part time, so I had a part-time position while I was working at the Department of Health, and, yeah, while I was working at the Department of Health I worked for Jackson Hewitt part time.

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Pierce

Q What were you doing?

A Tax preparation.

Q So you were actually doing the  
tax prep?

A Yes.

Q And then you were recruited by  
them to come into this general manager position?

A That's correct.

Q And that entailed you relocating  
to Columbus, Ohio?

A That's correct.

Q Did your position change during  
the three years that you were doing that?

A As a general manager, no.

Q You remained in the position of  
general manager?

A That's correct.

Q Did your duties and  
responsibilities change during that time?

A No.

Q You continued to be responsible  
for the offices in Columbus?

A From the time I got there until  
the ending, yes.

1 Pierce

2 Q And in 2000 you went to work for  
3 CGI?

4 A That's correct.

5 Q What were the circumstances of  
6 you going to work there?

7 A The circumstances of me going to  
8 work there were -- well, for the time I worked  
9 for Cendant running the Columbus operation,  
10 there were, there was a franchisee and corporate  
11 had an agreement, so corporate hired me, but I  
12 ran both of the operations together  
13 collectively, because the franchisee was  
14 ultimately going to buy out the entire  
15 territories.

16 So I had two different bosses,  
17 actually. And they became partners and when  
18 they became partners -- not partners -- yeah, my  
19 two bosses became partners in 2000, I had one  
20 boss that lived in Virginia Beach, the other one  
21 lived in Columbus, when they became partners the  
22 Virginia Beach boss who worked directly for  
23 Cendant moved to Columbus, and because of his  
24 position and experience and so forth, they  
25 formed a new corporation and then they laid me

1 Pierce

2 off as a result of that.

3 Q So your job was eliminated?

4 A Yes.

5 Q Because of this restructuring  
6 that was going on?

7 A Because of the restructuring,  
8 that's correct.

9 Q So then you were looking for  
10 work?

11 A That's correct.

12 Q How did you actually come to be  
13 hired at CGI?

14 A I posted my resume on line and  
15 they gave me a call about a potential  
16 opportunity they had available and -- or an  
17 opportunity they had, and they hired me.

18 MR. KLEIN: And just for  
19 clarification, David, I just want  
20 to make sure that when you say  
21 CGI at this time period, you're  
22 referring to CGI and/or its  
23 predecessor corporate entities.

24 MR. MAIR: I am. And  
25 maybe we should just clear that

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Pierce

up.

BY MR. MAIR:

Q In 2000, was CGI then known as  
CGI or were you are working for a corporate  
predecessor?

A A predecessor.

Q And the name of that was?

A Orion.

Q Orion?

A Yes.

Q Do you recall when the changeover  
from Orion to CGI took place?

A Well, it went from Orion to IMR  
Global and then from IMR Global to CGI, and I  
think it was probably about a year after I  
started working for them, so I think sometime in  
2001, I think.

Q In 2001 it went to IMR or it went  
to CGI?

A It went -- unless -- so in 2001  
it went to IMR Global and then sometime  
thereafter it went to CGI, but I don't recall  
the specific time frame.

Q In terms of your employment, have

Pierce

you had for all intents and purposes a continuous employment with whatever entity you were working for at the time since 2000?

A With respect to, I guess the definition of CGI being its predecessors, yes.

You know, and I don't know if this is considered employment, per se, but at the same time that I applied for CGI, I also developed a franchise myself, a Jackson Hewitt franchise, so I have some interest in that.

So I guess those two things were happening simultaneously, but it was just the ownership interest primarily.

Q I'm going to talk about your franchise operation in a second, but in terms of, what I'm getting at is from your perspective have you been continuously employed by the same company or series of companies since 2000?

A Yes.

Q And that's been CGI and its predecessors?

A Yes.

Q Now, during that period that you have been employed at CGI, have you owned an

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Pierce

ownership interest in any other businesses or franchises?

A Yes.

Q Tell me about that.

A In 2000, before I was hired at CGI, I expressed an interest with Jackson Hewitt to open and develop some territories, some Jackson Hewitt tax preparation offices in Texas.

Q And so you reached an agreement with Jackson Hewitt to open a franchise in Texas?

A That's correct.

Q And you reached that agreement before you went to CGI?

A Yes.

Q But you continued with that franchise afterwards?

A Yes.

Q And do you still own that today?

A Yes.

Q And can you describe for me what offices that franchise has? Are you just in one location in Texas, are you in multiple locations, do you have multiple offices?

Pierce

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A I have multiple offices.

I originally started with two offices in Texas.

So initially two offices in, it's one territory, I believe it's what I originally started with.

Q What territory?

A I called it one territory. Jackson Hewitt sells by territories to define your agreement with them.

Q Is your territory Texas or some portion of Texas?

A Portions of Texas, a territory is defined as an area of about 50,000 individuals and by zip codes.

Q So can you describe for me what your initial territory was geographically and how it's changed between then and now, if it has changed?

A The initial territory is south of Houston, about 40 miles south of Houston in an area called Clute, C-L-U-T-E, Clute, Texas.

And then we expanded from where -- it's where our main office is located.

Pierce

So from there we purchased, and this is an approximate number of territories, because I don't know the exact number, but from there we expanded into a total of about five territories in Texas, I think five territories there.

During that expansion we also expanded into Indiana, bought some territories in Indiana, in Anderson, Indiana, is where we also had some offices there initially.

Q And you still have those today?

A Yes.

Q In terms of the five territories in Texas, what's the approximate geography of those territories?

Are they all around Houston or are they spread out more broadly than that?

A When I speak to the territories to individuals, I just usually say south of Houston.

I own one territory in Houston, but my operation is primarily outside of Houston or south of Houston.

Q Do you have any partners in this

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Pierce

franchise?

A No.

Q You have 100 percent ownership of  
it?

A Yes.

Q During the time that you've  
worked at CGI, have you had any other  
franchises?

A Yes.

Q Can you list those for me?

A The other franchise I have an  
ownership interest in is Honey Baked Ham.

Q Is that a single franchise or do  
you have multiple franchises with them?

A Multiple units.

Q Again, can you give me the  
locations?

A One location is south of Houston,  
again in Lake Jackson, and the other is in  
Corpus Christi, Texas.

Q When did you acquire each of  
them?

A Initial conversations with Honey  
Baked was in 2004, so I acquired those in -- or

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Pierce

I signed my franchise agreement with Honey Baked  
in 2005.

Q For both locations?

A I'm trying to remember if it was  
both locations. Give me just a moment.

No, so only one location in 2005  
and the second location was 2006.

Q Other than the Honey Baked Ham  
and Jackson Hewitt franchises, have you ever had  
on ownership interest in any other franchises?

A No.

Q Have you ever had an ownership  
interest in any other businesses?

A No.

Q Do you have any partners in the  
Honey Baked Ham franchise?

A No.

Q And you still own those two  
franchise locations of Honey Baked Ham?

A Yes.

Q Now, when you first were hired at  
CGI, what was your title?

A Regional manager.

Q Regional manager?

1 Pierce

2 A Uh-hum.

3 Q Who did you report to?

4 A Marybeth Carragher.

5 Q And what were your  
6 responsibilities?

7 A My responsibilities as a regional  
8 manager included a portion of the state, the  
9 Dayton region, we called it the Dayton region,  
10 which included approximately 19 counties that  
11 had HUD contracts that we administered.

12 Q I'm sorry to interrupt.

13 Was that PBCA work?

14 A Yes.

15 Q So you basically had  
16 responsibility for the Dayton region of the PBCA  
17 operations?

18 A That's correct.

19 Q And did you have other  
20 responsibilities that you were about to go on to  
21 tell me about?

22 A No, just -- that's it, no  
23 additional responsibilities.

24 Q And you reported directly to Ms.  
25 Carragher?

1 Pierce

2 A Yes.

3 Q Did other regional managers have  
4 responsibility for other parts of the Ohio PBCA  
5 territory?

6 A Yes.

7 Q Who were the other regional  
8 managers at that time? I'm talking around the  
9 time you joined.

10 A By name?

11 Q Yes.

12 MR. KLEIN: And are you  
13 just referring to the Ohio region  
14 or the State of Ohio?

15 MR. MAIR: Yes, the State  
16 of Ohio.

17 A The ones I can remember are from  
18 the Columbus office, because we had two  
19 different offices, so the Columbus office  
20 included James Ellis, Michele Tally and Tony  
21 Donor.

22 Q Donor?

23 A D-O-N-O-R.

24 Q They were other regional  
25 managers?

1 Pierce

2 A Yes.

3 Q How long did you have that  
4 position as regional manager?

5 A From 2000 to 2006.

6 Q And did your duties stay the same  
7 during that period?

8 A Yes, my duties stayed the same  
9 with respect to regional manager, yes.

10 You asked me earlier a question  
11 did I have any other responsibilities and it  
12 just dawned on me that I did do a consulting, a  
13 portion of consulting with the housing authority  
14 in Baltimore for I guess approximately a year  
15 and that -- while still maintaining to some  
16 degree my region, the Baltimore Housing  
17 Authority.

18 Q So during the 2000 to 2006  
19 period, the Baltimore Housing Authority  
20 consulting was the only work you did in addition  
21 to your PBCA regional manager work?

22 A Right, that's correct, as part of  
23 CGI, but, yes.

24 Q And your region stayed the same  
25 as the Dayton region?

1 Pierce

2 A That's correct.

3 Q 2006, what position did you move  
4 into?

5 A 2006 I moved into a position of  
6 director of special projects.

7 Q Did you continue reporting to Ms.  
8 Carragher?

9 A Yes.

10 Q And describe your  
11 responsibilities in that position.

12 A It primarily was to -- for  
13 various opportunities that came along, whether  
14 it's PBCA related or consulting related, to  
15 basically become a part of that and help ensure  
16 that that opportunity moved forward.

17 Q Were you involved at the bidding  
18 stage or did you take operational roles in these  
19 projects or both?

20 A Primarily operational roles at  
21 that time.

22 Q Now, can you tell me the projects  
23 that you had an operational role in during that  
24 period that you were director of special  
25 projects?

1 Pierce

2 A Well, one of those would have  
3 been our transition into the New York PBCA.

4 Q Apart from that, did you have  
5 other operational roles in that position?

6 A No.

7 Q So that was the work you did the  
8 entire time that you were director of special  
9 projects?

10 A Yes.

11 Q How long did you have that  
12 position?

13 A Until -- probably about a year.

14 Q 2006 to 2007?

15 A Yes.

16 Q And did you move on to another  
17 position after the transition had taken place in  
18 New York?

19 A Yes.

20 Q What was your next position?

21 A Director.

22 Q So you went from director of  
23 special projects to just director?

24 A Director of consulting services,  
25 sorry about that.

1 Pierce

2 Q And that was in 2007?

3 A Yes.

4 Q What were your duties when you  
5 first took on the position as director of  
6 consulting services?

7 A Director of consulting services,  
8 my responsibility became basically account  
9 management for the New York PBCA.

10 Q You oversaw the operations of  
11 that New York PBCA?

12 A That's correct.

13 Q You reported to Ms. Carragher?

14 A That's correct.

15 Q So initially when you took that  
16 position, did you have duties beyond the New  
17 York PBCA?

18 A No.

19 Q At any time since you took that  
20 position on, have you had additional duties?

21 A Yes.

22 Really what's on my mind right  
23 now is the current one, which is working with  
24 our existing project, which is Community  
25 Development Block Grant Disaster Recovery.

1 Pierce

2 Q Can you describe that to me, that  
3 project?

4 A What we are currently executing  
5 is, we have some intake centers out on Long  
6 Island for individuals who have been impacted by  
7 Hurricane Sandy, so we are assisting our client,  
8 which is the State of New York, individuals  
9 submit the application, helping them with  
10 submitting the application and documentation so  
11 that it can be evaluated and they can be  
12 provided assistance to help them rebuild or  
13 mitigate future disaster impacts.

14 Q At some point in time you had  
15 responsibilities connected with the PBCA rebid  
16 process; is that correct?

17 A Yes.

18 Q I'm going to talk in a lot more  
19 detail about that in a minute.

20 A Okay.

21 Q So leaving that aside, in  
22 addition to the disaster recovery operations  
23 post Hurricane Sandy that you just talked about  
24 and your operational responsibilities for the  
25 New York PBCA, can you tell me about any other

Pierce

responsibilities or projects you've handled since 2007?

A I worked on another project with Chicago Housing Authority, and being in part responsible for the call center and our team, as one of the project managers of that, and that's where, the wait list purge, so the Chicago Housing Authority was purging their wait list, so we were assisting them with -- or assisting individuals who were calling in who needed help in filling out their application to ensure that they were on the wait list.

Q Any other projects you've had involvement in since 2007?

A Since 2007 I also was assigned to be responsible for our Columbus call center, which takes tenant complaints or concerns, resident concerns for our other PBCA contracts and helps ensure that their complaints are addressed or their concerns are addressed by the management.

Q This is a centralized call center that is used by the various PBCA operations in states around the country that CGI is involved

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Pierce

in; is that correct?

A With the exception of New York.

Q So all of the other states in which CGI is the subcontractor for the PBCA utilize this Columbus call center?

A That's correct.

Q And you were operationally responsible for that call center?

A Yes.

Q When did you acquire that responsibility?

A I would say the beginning of 2012, I think.

Q Have you had any other responsibilities or handled any other projects since 2007?

A None that I can recall.

Q Have you had business development responsibilities?

A Yes, in that, building relationships with various potential clients and communicating CGI's offerings, so to that extent, yes.

Q Now, in terms of being

1 Pierce

2 responsible for bids or responding to RFPs or  
3 submitting specific proposals or bids, have you  
4 had responsibilities in that area?

5 A Not sole responsibility, no, but  
6 if I identify a potential opportunity, then we  
7 either provide that to Dennis Ryan, who is the  
8 business developer, for consideration and for us  
9 to have a conversation about, to see whether or  
10 not it makes sense, as well as share that  
11 information with Marybeth.

12 Q So you haven't been the person  
13 primarily responsible for making any proposals  
14 or bids or responding to RFPs; is that fair to  
15 say?

16 A I'd say that's fair to say.

17 Q Have you, albeit not overall  
18 responsibility, but have you had involvement in  
19 submitting any specific RFP responses or bids  
20 during your time as director for consulting  
21 services?

22 A Yes.

23 MR. KLEIN: Object to the  
24 form.

25 Q What projects?

1 Pierce

2 A With respect to the rebid, the  
3 PBCA rebid, yes.

4 Q Okay. All right. And I'm going  
5 to talk about that more generally in a minute.

6 Outside of the PBCA rebid, have  
7 you had involvement in any specific bids or  
8 responses to RFPs that were submitted by CGI?

9 MR. KLEIN: Object to the  
10 form.

11 A None that I can recall.

12 Q So now let's turn to the PBCA  
13 rebid.

14 A Okay.

15 Q As I understand it, at a certain  
16 point in time HUD announced that it was going to  
17 rebid all the PBCA work across the country; is  
18 that correct?

19 A That's correct.

20 Q And am I correct that CGI saw  
21 this as an opportunity to try to expand the  
22 number of housing units that it was  
23 subcontractor for?

24 A Yes.

25 Q And was a team of people put

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Pierce

together to try to win that additional work in  
the rebid?

A Yes.

Q And was that team headed by Ms.  
Carragher?

A Yes.

Q And the group that reported to  
her, the senior people that reported to her?

A Yes.

MR. KLEIN: Object to the  
form.

Q Was that group internally known  
as the rat pack?

A Yes.

Q And were you on the rat pack?

A Yes.

Q And was Mr. Ashmore on the rat  
pack?

A Not initially, but at a later  
time he did join the rat pack team, yes.

Q Shortly after he joined CGI?

A I would say shortly after he  
joined CGI.

Q And he was on the rat pack team

1 Pierce

2 until he was terminated from CGI, approximately?

3 A Yes, as far as I knew.

4 Q Did you have any interactions  
5 with Mr. Ashmore in connection with the rebid  
6 other than just being on group conference calls  
7 with him?

8 A Very limited interaction, but,  
9 you know, so very limited interaction.

10 Q Can you just summarize what that  
11 interaction was?

12 A Well, it's primarily when -- a  
13 couple of times when I think he was going to do  
14 a presentation or he was going to reach out to  
15 some contacts he had, I think in Michigan, he  
16 communicated to the team that he had some  
17 contacts and he could try to work some of those  
18 relationships, so he requested a PowerPoint  
19 presentation that I put together so that he  
20 could modify and prepare to communicate to, I  
21 guess, his contacts there.

22 So that's probably the greatest  
23 amount of extent that I can recall having worked  
24 with him directly on some potential pursuit,  
25 so ...

1 Pierce

2 Q So am I correct that the  
3 interaction you had with him really related to  
4 giving him the presentation that you had put  
5 together for him to use in making a pitch?

6 MR. KLEIN: Object to the  
7 form.

8 A Yes.

9 Q Now, during the rebid process,  
10 did there come a time when HUD announced that it  
11 was considering putting in restrictions on the  
12 number of units that any contractor or  
13 subcontractor could bid on?

14 A Yes.

15 Q And at the same time did HUD also  
16 announce that it was considering imposing a  
17 limitation on the percentage of profit that any  
18 one contractor or subcontractor could make?

19 A I don't recall that.

20 Q Do you recall any other potential  
21 restrictions being discussed by HUD at the time  
22 it announced that it was considering the unit  
23 cap restriction?

24 A The other restriction, if memory  
25 serves correct, is limitation on the percentage

1 Pierce

2 that you could bid, the maximum percent.

3 Q Of units?

4 A No, the maximum percent bid.

5 Q The maximum percentage of what is  
6 I guess my question?

7 A The maximum percentage of the  
8 overall value of the contract or to determine  
9 the amount of payment that the company could  
10 receive.

11 Q I don't understand that last  
12 answer.

13 So if you can just describe for  
14 me your recollection of what the other  
15 restriction was, in addition to a discussion  
16 about potential restrictions on the number of  
17 units that could be applied for.

18 A So initially HUD, the maximum  
19 percentage, the compensation, so to speak, of  
20 each contract is based on the fair market rent  
21 in the area.

22 So initially the maximum that HUD  
23 was willing to pay out was up to 3 percent per  
24 month for the execution of the entire contract.

25 Later on they concluded, well,

1 Pierce

2 how can we reduce that and that came down to a  
3 maximum percentage, I think at the time it was  
4 two and a half percent.

5 Q And was that ultimately imposed  
6 as part of the rebid process?

7 A Yes.

8 Q Let me turn back to the unit cap  
9 restriction that was being proposed.

10 After HUD announced that it was  
11 considering imposing a unit cap, did the rat  
12 pack have discussions about how HUD might be  
13 persuaded not to include the unit cap in its  
14 final bidding documents?

15 MR. KLEIN: Object to the  
16 form.

17 A Yes.

18 Q So there were discussions about  
19 how might we persuade HUD, either together or,  
20 either individually or together with others in  
21 the industry that it would be a bad idea to  
22 impose the unit cap; is that correct?

23 A Yes.

24 Q Did the rat pack also have  
25 discussions about what bidding strategies CGI

1 Pierce

2 might be able to use in the event the unit cap  
3 was included in the final bid documents?

4 MR. KLEIN: Object to the  
5 form.

6 A Could you rephrase that?

7 Q Let me step back a minute.

8 Is it fair to say that the unit  
9 cap that was initially proposed by HUD as being  
10 under consideration would have substantially  
11 limited CGI in going after the number of units  
12 that it wanted to go after in the rebid?

13 MR. KLEIN: Object to the  
14 form.

15 A Yes.

16 Q Let's take a look at an exhibit  
17 that we previously marked.

18 Exhibit 27 (handing).

19 I'm showing you what was  
20 previously marked as Exhibit 27. It's an e-mail  
21 string on January 14th and January 15th of 2010.

22 I'm going to ask you just to turn  
23 to the second to last page of the document, to  
24 an e-mail, the e-mail at the bottom of that page  
25 from Ms. Carragher to Richard Schmitz and others

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Pierce

on January 14th.

Do you see that one?

A Yes.

Q Can you read that e-mail to  
yourself?

A (Perusing document.) Okay. So I  
have read this e-mail.

Q Now, I understand the e-mail  
wasn't sent to you. I assume you have never  
seen the e-mail before?

A No, I've never seen this e-mail.

Q In any event, you see that Ms.  
Carragher says that as of that point in time,  
January 14th, CGI has 267,000 units?

A I do see that's written in the  
e-mail.

Q Is that your recollection as to  
the approximate number of units that CGI had  
under management in the PBCA contracts prior to  
the rebid?

A Approximately.

Q And you see that Ms. Carragher  
indicates that CGI was planning on bidding on  
over 800,000 units at that point in time, do you

1 Pierce

2 see that?

3 A I do see that in the e-mail.

4 Q And is that also your  
5 recollection of what the goal of CGI had been  
6 prior to the announcement of a potential unit  
7 cap?

8 A No, that's not my recollection.

9 Q What is your recollection?

10 A My recollection is and, of  
11 course, perhaps that is limited to my scope of  
12 what I was doing at the time, but maybe about  
13 550,000 units.

14 Q Let me see if I understand your  
15 answer.

16 Are you saying that it's your  
17 recollection that the total number of units that  
18 CGI had targeted to try to go after in the rebid  
19 was 550,000, or are you saying that it's your  
20 recollection that that was the number of units  
21 within the areas that you were primarily  
22 responsible for going after?

23 A What I'm trying to communicate is  
24 that from the e-mail that Marybeth sent, she may  
25 have had a broader scope or perception of what

1 Pierce

2 CGI was going after.

3 My limited scope with what I was  
4 working on and the individuals that I was  
5 working with in basic conversation was about  
6 550.

7 So all I'm saying is she may have  
8 had some other understanding or because she's  
9 responsible for the entire group, so...

10 Q Well, each of the operational  
11 directors reporting in to Ms. Carragher were  
12 responsible for going after or primarily  
13 responsible for going after different  
14 jurisdictions in the rebid, correct?

15 A Correct.

16 Q You had certain jurisdictions  
17 that you were primarily responsible for, right?

18 A That's correct.

19 Q Mr. Gorris had areas that he was  
20 responsible for, right?

21 A Correct.

22 Q Mr. Steen had areas he was  
23 responsible for, right?

24 A Correct.

25 Q Ms. Rudy had areas she was

Pierce

responsible for?

A      Correct.

Q And I may have missed somebody, but what I'm trying to find out is the 550,000 number that you recall today as being the target, was that the number that you recall the entire group targeting to go after, or is that just the area that you recall being within your geographic scope within the rebid?

A            It's not the area that, from my group, I know that because it wasn't 550,000 units.

And I don't recall what the total collective number was, but I don't recall it being 800,000.

Q You recall it being less than that collectively that had been targeted?

A Yes.

Q Do you have any reason to believe, looking at Ms. Carragher's e-mail, that what she is saying is untrue in terms of what CGI as a company had targeted to go after, and that is her statement that they were planning on bidding on over 800,000 units?

1 Pierce

2 A If this is her statement then,  
3 maybe I'm misinterpreting, but if it's her  
4 statement that's what she believed that she  
5 wanted to communicate that our company had the  
6 potential to go after.

7 Q So you might not have been aware  
8 of the entire picture; is that correct?

9 A Not of the 800,000 units, only  
10 that the opportunity for the rebid existed and  
11 we wanted to expand and if those opportunities  
12 come along and they make sense, then let's  
13 pursue them.

14 Q Your recollection of the number  
15 of 550,000 units, was that the number of new  
16 units that CGI was trying to add to its  
17 portfolio over and above the existing number of  
18 267,000?

19 A Not to my recollection, no.

20 Q In any event, is it fair to say  
21 that in January of 2010 when HUD announced that  
22 it was considering a unit cap, that unit cap was  
23 substantially lower than the total number of  
24 units that CGI had targeted to bid upon at that  
25 point in time?

1 Pierce

2 MR. KLEIN: Object to the  
3 form.

4 A Yes.

5 Q Now to go back to the rat pack  
6 calls.

7 You told me a few minutes ago  
8 that the rat pack in their regular calls  
9 discussed strategies to try to persuade HUD not  
10 to ultimately impose the unit cap that it said  
11 it was considering; is that correct?

12 A I think I asked you to rephrase  
13 that, then you moved on from that, so I don't  
14 think I confirmed that, that we had necessarily  
15 done that.

16 But if you're asking me, if your  
17 question is whether or not we evaluated the  
18 opportunity and how could we, you know, seize  
19 the opportunity, yeah, we talked about that.

20 Q Well, my question is a little  
21 more specific.

22 So regardless of what you  
23 testified to earlier, we don't need to debate  
24 that.

25 A Okay.

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Pierce

Q Let me ask you a new question.

A Okay.

Q The rat pack had regular strategy conference calls during the rebid process, correct?

A Yes.

Q And you were a participant in those calls?

A Yes.

Q After the unit cap proposal was announced by HUD, on some of those rat pack calls, did the rat pack discuss what CGI was doing by way of lobbying efforts or discussions with HUD or other methods to try to persuade HUD not to impose a unit cap when it came out with the final bidding documents?

In other words, was there a discussion of what CGI was trying to do to dissuade HUD from making a final decision that there would be a unit cap?

A Yes.

Q In addition to that, were there also discussions during the rat pack calls of what CGI could do if HUD was not dissuaded from

1 Pierce

2 imposing a unit cap and there was, in fact, a  
3 unit cap in the final bidding?

4 A I don't recall.

5 Q Let's take a look at some other  
6 documents.

7 I'm going to show you what was  
8 previously marked as Exhibit 14 (handing).

9 Can you just take a look at this  
10 document, take a look through it and see if  
11 you're familiar with what's there?

12 A Okay.

13 MR. MAIR: For the record,  
14 Exhibit 14 is a document produced  
15 by CGI as CGI 5043 confidential,  
16 a May 17, 2010 e-mail from  
17 Patricia Duffy together with a  
18 senior management committee  
19 progress update PowerPoint  
20 presentation.

21 A (Perusing document.) Okay.

22 Q I understand you are not listed  
23 on the cover e-mail here.

24 A Uh-hum.

25 Q But regardless of that, have you

Pierce

ever seen either this PowerPoint presentation or a similar PowerPoint presentation updating senior management on the PBCA rebid?

A I don't recall seeing that.

Q You don't recall seeing this one?

A I don't recall seeing this one and I don't recall seeing a PowerPoint to update senior management.

Q So with the understanding that you haven't seen this document before, let me ask you to turn to Page 4, which is headed, "HUD/GR Update," and do you understand "GR" to mean government relations?

A Yes.

Q Now, when you said that on the rat pack calls you discussed some of what CGI was doing to try to dissuade HUD from finally implementing the unit cap, were some of these things on this page discussed during rat pack calls that you were on?

A Yes, in a general sense, I think the Nixon Peabody portion and meeting with Gallante, the specifics of the, the specifics of maybe to offset the potential appropriations

1 Pierce

2 language for HFA priority, that may have been  
3 discussed, but I don't recall the specifics of  
4 these.

5 Q Turn to the next page, which is  
6 Page 5.

7 And you see that the first bullet  
8 point here is headed, "If unit cap."

9 Do you see that?

10 A Yes.

11 Q And this discusses a possibility  
12 of pursuing a certain number of states under the  
13 unit cap or within the unit cap.

14 Do you see that?

15 A Yes.

16 Q And then pursuing other states  
17 under a 49/51 percent partner split with the  
18 partner.

19 Do you see that?

20 A Yes.

21 Q And did you understand that  
22 option to be known as the 49/51 scenario?

23 A Yes.

24 Q So let me go back to the rat pack  
25 calls now.

1 Pierce

2 A Okay.

3 Q During the rat pack calls, did  
4 the rat pack discuss various potential  
5 strategies that could be used by CGI to be able  
6 to ultimately bid on units above the unit cap if  
7 a unit cap were ultimately put in place by HUD?

8 MR. KLEIN: Object to the  
9 form.

10 A Yes.

11 Q And was one of those strategies  
12 that was discussed by the rat pack the 49/51  
13 strategy?

14 A 49/51 percent split, yes.

15 Q So the bidding under a 49/51  
16 split with the PHA partner, that was discussed  
17 by the rat pack?

18 A Yes.

19 Q On multiple phone calls?

20 A Yes.

21 Q Now, if you look down to the next  
22 part of the page here when it discusses in this  
23 PowerPoint presentation options for the  
24 51 percent partner.

25 Do you see that?

1 Pierce

2 A Yes.

3 Q And there is a table that  
4 discusses the pros and cons of partnering with a  
5 PHA versus what they call private sector.

6 Do you see that?

7 A Yes.

8 Q And under the pros for a PHA  
9 partner, the PowerPoint says, quote, "Willing to  
10 transfer 51 percent to CGI after first year,"  
11 close quote.

12 Do you see that?

13 A Yes.

14 Q Now, during the rat pack  
15 conference calls, was there a discussion of the  
16 potential that if CGI bid under a 49/51 bidding  
17 strategy, the PHA may be able to transfer back  
18 to CGI some or all of the 51 percent after the  
19 first year or after the bid was awarded?

20 A I don't recall that.

21 Q Let me make sure I understand.

22 Your testimony is that sitting  
23 here today you don't recall that topic ever  
24 being discussed during a rat pack conference  
25 call?

Pierce

A            The willingness to transfer 51 percent back to CGI after the first year, it doesn't pop up in my head as part of a conversation.

I'm not saying it never happened,  
but I just don't recall that.

Q You don't recall whether or not  
it happened?

A Yes, I don't recall the 51 percent transfer to CGI.

Q Let me just delve into that topic a little bit more.

A            Okay.

Q Was it your understanding that the 49/51 bidding strategy would be a strategy under which CGI and the PHA would bid and tell HUD that the PHA would have at least 51 percent of the FTE, full-time equivalent employees, doing the operational work, and CGI would have 49 percent or less of those employees?

A Yes.

Q So that the 49/51 referred to who was going to employ the employees doing the operational work; is that correct?

1 Pierce

2 A Yes.

3 Q At any time during any of the rat  
4 pack discussions, whether on a conference call  
5 or in person, was there ever a discussion  
6 amongst rat pack members of the possibility that  
7 CGI and a PHA partner could bid under a 49/51  
8 bidding strategy, but then have the PHA transfer  
9 back some of its employees in the 51 percent to  
10 CGI at some time after the bid was awarded?

11 MR. KLEIN: Object to the  
12 form.

13 A I don't recall that. Again,  
14 maybe I wasn't listening in detail, but I don't  
15 recall that.

16 Q So just to be clear, sitting here  
17 today you have no recollection of that being  
18 discussed?

19 A I have a recollection of the  
20 49/51 percent split being discussed, and as you  
21 have described, that the PHA would handle 51  
22 percent of the FTEs and CGI would do the  
23 49 percent, I recall that.

24 I don't recall the conversation  
25 of transferring, you know, 51 percent to CGI.

1 Pierce

2 That doesn't rest in my memory, unfortunately,  
3 if it was said.

4 Q So you don't recall sitting here  
5 today any discussion at any time about the  
6 possibility that the bidding could be under  
7 49/51, but at some point after the award of the  
8 contract, the PHA could transfer some of the  
9 FTEs to CGI?

10 A I don't recall that.

11 Q We are going to take a look now  
12 at what was previously marked as Exhibit 13  
13 (handing).

14 I'm showing you Exhibit 13, which  
15 was produced by CGI as CGI 7233 confidential.  
16 It's an e-mail exchanged between Mr. Kyprianou  
17 and others on January 29, 2010.

18 Can you read that to yourself?

19 A (Perusing document.) Okay.

20 Q You have read Exhibit 13?

21 A Yes.

22 Q Now, I see that you are not  
23 indicated as being a recipient of this on the  
24 document.

25 Have you ever seen it before?

1 Pierce

2 A I've never seen this document.

3 Q And let me ask you a more general  
4 question.

5 Did you review any documents at  
6 any point in time in preparation for your  
7 deposition today?

8 A No. I guess, no.

9 Q You look uncertain.

10 A Yeah, I'm trying to figure out  
11 what you mean did I review any documents.

12 I mean, I haven't seen any of  
13 these documents or anything. The only thing we  
14 did was provide the requested information by  
15 counsel. It was some months ago.

16 Q Some number of months ago you  
17 were asked by counsel to locate and gather up  
18 certain documents relating to this case, right?

19 A Uh-hum.

20 Q And you did that and forwarded  
21 them to counsel?

22 A Yes.

23 Q And did you read any of the  
24 documents at the time?

25 A No. I primarily searched for the

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Pierce

information that was requested and created the file and uploaded it accordingly.

Q Then at some point you were told that you were going to have a deposition in this case, right?

A Yes.

Q And there was coordination to figure out the logistics of it, right?

A Yes.

Q Did you do anything to actually prepare to be able to testify today, anything to refresh your memory about events?

Did you review any documents?  
Did you talk to anybody in order to try to refresh your memory about what happened several years ago in the events that are at issue in this case?

MR. KLEIN: I presume you mean short of conversations with counsel.

Q I'm including that now in terms of just, if that is one of the things you did, then tell me, but don't go into any details about what was discussed with counsel.

1 Pierce

2 MR. KLEIN: Fair enough.

3 A Yes.

4 Q By "yes," what did you do, again,  
5 without going into details about discussions,  
6 what did you do to try to prepare for this  
7 deposition?

8 A Speak with counsel, "Hey, Les,  
9 there's a deposition coming up."

10 Q Don't tell me about the details  
11 that you spoke to counsel about.

12 You spoke to counsel?

13 A Yes.

14 Q So you had a meeting, an  
15 in-person meeting or was it by phone?

16 A By phone.

17 Q You had a phone call with  
18 Mr. Klein?

19 A Yes.

20 Q Was anybody else on the call?

21 A Yes.

22 Q Who else?

23 A Marybeth Carragher.

24 Q Was anybody else on the call?

25 A No.

1 Pierce

2 Q How long did the call last,  
3 approximately, your best recollection?

4 I see you're looking at counsel,  
5 but I just want to know your best recollection.

6 A Maybe an hour.

7 Q And how long ago was that?

8 A A couple of weeks ago, I think.

9 Q Apart from that approximately  
10 one-hour call, did you speak to anyone at any  
11 other point in time, either counsel or Ms.  
12 Carragher or anybody else, to try to prepare for  
13 this deposition?

14 A No.

15 Q Did you at any point in time  
16 review or look at any documents to try to  
17 refresh your recollection as to what happened?

18 A No.

19 Q So you didn't look at any  
20 documents at all for purposes of preparing to be  
21 able to testify here today?

22 A No.

23 Q Okay.

24 After that digression, let's go  
25 back to Exhibit 13.

1 Pierce

2 A Okay.

3 Q If you take a look at the last  
4 page of this e-mail exchange.

5 A The last page, okay.

6 Q Do you see that Mr. Kyprianou  
7 states as follows, quote, "I don't know whether  
8 this is possible or allowable, but can we create  
9 new entities for selected jurisdictions that are  
10 a joined venture of a PHA and CGI subsidiary.  
11 If this holds, then we can get away with the  
12 unit restrictions as these entities will somehow  
13 be independent from CGI," close quote.

14 Do you see that?

15 A Yes.

16 Q Now, let me ask you, in terms of  
17 discussions amongst rat pack members either on  
18 the conference calls or in person regarding what  
19 potential strategies CGI could use in the event  
20 that a unit cap was included in the rebid, was  
21 there ever any discussion about the possibility  
22 of setting up one or more new corporate entities  
23 in order to bid on units above the unit cap?

24 A No, not that I recall.

25 Q Let me make sure I understand.

1 Pierce

2 A Okay.

3 Q At any time during any of the  
4 discussions leading up to submission of the  
5 rebid, did any of the rat pack members ever  
6 discuss the possibility that one or more new  
7 corporate entities could be set up as part of a  
8 bidding strategy by CGI?

9 MR. KLEIN: Object to the  
10 form.

11 A No.

12 Q Was there ever any discussion at  
13 all at any point in time about setting up either  
14 subsidiaries or affiliates or separate corporate  
15 entities to bid on the rebid?

16 MR. KLEIN: Object to the  
17 form.

18 A There was discussion about CGI's  
19 existing subsidiaries maybe bidding, but I don't  
20 recall conversation about setting up new ones.

21 Q Tell me what you recall about the  
22 discussion of existing CGI subsidiaries bidding  
23 in the rebid.

24 A Well, I mean, there's a couple of  
25 different groups.

Pierce

One is CGI Technologies and Solutions, and I can't remember what our other ones are, but I guess CGI has several subsidiaries, CGI Federal and CGI Technologies and Solutions.

Whether or not that particular entity, being that it's a separate entity, so to speak, could it partner with PHAs to pursue the opportunity.

But that was probably about as much as I recall with respect to the existing entities doing so, but I don't recall a conversation on new entities being created or set up.

Q So just to make sure I understand, you have a recollection of there being a discussion about using more than one existing CGI corporate entity in the rebid; is that correct?

MR. KLEIN: Object to the form.

A Yes.

Q And was there a discussion that by using more than one CGI entity in the rebid,

1 Pierce

2 CGI may possibly be able to get around a single  
3 unit cap if the unit cap was imposed?

4 MR. KLEIN: Object to the  
5 form.

6 A Yes.

7 Q So the context of the discussion  
8 of using more than one CGI corporate entity was  
9 doing that in order to have more than one unit  
10 cap applied to CGI collectively; is that  
11 correct?

12 MR. KLEIN: Object to the  
13 form.

14 A Yes.

15 Q On how many calls was that  
16 concept discussed?

17 A I don't recall that.

18 Q More than one call?

19 A Yeah, definitely more than one  
20 call.

21 Q More than three calls?

22 A I don't recall that.

23 I know the conversation happened.

24 On how many calls, I don't recall.

25 Q These were full rat pack calls?

Pierce

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A Yes.

Q Amongst Ms. Carragher and her senior employees?

A Yes.

Q Was Mr. Ashmore on these calls?

A I don't recall specifically whether or not he was on the call, but if we had a rat pack meeting, he had the invite, so whether or not he actually made that call, I don't know.

Q What was ultimately decided with respect to the possibility of bidding through more than one CGI corporate entity in order to have more than one unit cap applicable to CGI collectively?

A Well, ultimately we did not bid differently under different entities.

So the decision was we bid as CGI with our partners and we did the 49/51 split.

Q You answered a slightly different question.

A Okay.

Q You told me what CGI actually did.

Pierce

My question is, going back to these rat pack strategy conference calls, you said that on more than one occasion the concept of bidding through more than one CGI corporate entity in the rebid was discussed.

My question is --

A What was the outcome of that?

Q -- what was the outcome of those discussions amongst the rat pack members?

MR. KLEIN: Object to the form.

A To not do it or it wasn't, I mean, I don't know if it's not to do it, but the ultimate decision was we didn't do it, I mean, we didn't use any other subsidiaries, CGI subsidiaries.

Q Let me try to ask a more specific question.

A Okay.

Q Do you recall there being a specific decision made on those rat pack calls or was the subject just dropped at a certain point in time or did something else happen?

A From my perspective, you know,

1 Pierce

2 assuming that decision, and I don't know if  
3 assuming is the right word, but --

4 Q Well, I don't want you to assume.

5 A Yes, and I don't want to assume.

6 Q So just to be clear, the  
7 question, my question is asking you for your  
8 recollection of discussions on rat pack  
9 conference calls.

10 And my question is, the topic of  
11 bidding through more than one CGI corporate  
12 entity was discussed, you said, on more than one  
13 rat pack call.

14 Based on your recollection today,  
15 do you recall if at a certain point in time a  
16 decision was made on the rat pack call, "No,  
17 we're not going to do that," or was the topic  
18 just dropped and not addressed again on the  
19 calls without there being a decision being made  
20 amongst the rat pack members?

21 A Let me see if I can answer your  
22 question.

23 I don't recall a specific  
24 decision being made.

25 However, it was an understanding

1 Pierce

2 it wasn't going to be pursued.

3 But how that, you know, whether  
4 that was because a decision had been made that  
5 we are not going to use any other CGI  
6 subsidiaries, but it was an understanding that  
7 the pursuit of using other CGI subsidiaries was  
8 not going to be used.

9 Q Now, am I correct that sitting  
10 here today you have absolutely no recollection  
11 of there ever being a discussion amongst any rat  
12 pack members of the possibility of setting up  
13 any new companies, whether they be new  
14 subsidiaries or outside companies, in order to  
15 bid through those companies and try to get  
16 around a single unit cap?

17 A I don't recall that.

18 THE WITNESS: Can we take  
19 a break?

20 MR. MAIR: Yes.

21 (Whereupon, at 11:54 a.m., a  
22 recess was taken.)

23 (Whereupon, at 12:12 p.m.,  
24 the deposition resumed with all  
25 parties present.)

Pierce

MR. MAIR: Back on the  
record.

BY MR. MAIR:

Q Let me go back to the rat pack  
discussions of a 49/51 bidding scenario.

Were there any discussions at any  
point in time amongst rat pack members of the  
question of what HUD might do to monitor the  
number of FTEs being employed by the PHA as  
opposed to the subcontractor following the  
successful award of a contract?

A Could you rephrase the question  
or repeat the question? I want to make sure I  
understand.

Q Yes.

Were there any discussions  
amongst any rat pack members of what HUD would  
do to monitor or require reporting of the  
allocation of FTEs between the PHA prime  
contractor and its subcontractor after HUD  
awarded a contract for a 49/51 bidding  
relationship?

A I don't recall that conversation.

Q You don't recall that ever being

1 Pierce

2 discussed?

3 A No. The only thing I recall is  
4 during your, the bidding process, you lay out  
5 the FTE and you lay out for the 49/51 percent  
6 split or who was going to do what, maybe not  
7 laying them out, but I just know we did an  
8 analysis on the 49/51 percent split and, you  
9 know, what would be their FTE, which ones would  
10 be their FTEs, which ones would be our FTEs.

11 So I don't recall any  
12 conversation about monitoring them at a later  
13 time or anything like that.

14 Q So what you're saying is you, at  
15 CGI you did an allocation of FTEs between CGI  
16 and the PHA bidding partner for those bids that  
17 were submitted under a 49/51 scenario, right?

18 A Yes. We did the analysis so that  
19 we could communicate to our partners so they'll  
20 understand, you are responsible for these  
21 specific positions and these specific tasks, and  
22 this is what CGI is going to do, and to lay that  
23 out to them, so, yes, in order to, you know, get  
24 them to agree to that, they had to know what  
25 they were going to be responsible for.

Pierce

Q My question is was there ever a discussion amongst rat pack members of the question of what, if anything, HUD was going to do to monitor or enforce the 49/51 split between PHA and subcontractor after the contract was awarded?

A I don't recall a conversation.

Q Now let me talk for a few minutes about what your responsibilities were in the rebid process.

A Okay.

Q Were there certain jurisdictions that were allocated to you in the pursuit of the rebid?

A Yes.

Q What jurisdictions were those?

A I was responsible for New York, Pennsylvania, Connecticut, Louisiana, and Texas.

Q What about Massachusetts?

A Massachusetts was not my responsibility.

Q Oklahoma?

A Oklahoma was a no-bid state.

I don't recall me having

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responsibility to connect with anybody in  
Oklahoma.

So it's not imprinted on the  
memory. So I don't recall Oklahoma, or I'll say  
no, because we didn't do Oklahoma.

Q Well, I understand that  
ultimately a decision was made not to bid in a  
small number of jurisdictions.

My question, though, is not  
really related to what CGI ultimately did.

My question is at any point  
during the rebid process when jurisdictions were  
being allocated amongst Ms. Carragher's  
directors for somebody to have the primary  
responsibility for trying to partner with a PHA  
in that jurisdiction, I want to know which  
jurisdictions at any point in the process you  
had some responsibility for.

And you've listed New York,  
Pennsylvania, Connecticut, Louisiana and Texas.

Were there any others?

A I don't recall any others.

Q Regardless of whether they were  
bid upon?

1 Pierce

2 A I don't recall any others.

3 That's what I got married to, is  
4 that list right there.

5 Q And were all of those states  
6 actually bid upon by CGI, that is New York,  
7 Pennsylvania, Connecticut, Louisiana and Texas?

8 A Yes.

9 Q Bids were submitted for all of  
10 those states?

11 A Yes.

12 Q Together with partner PHAs?

13 A That's correct.

14 Q Now, were any of those states  
15 actually bid under a 49/51 scenario?

16 A Yes.

17 Q Which ones were bid under 49/51?

18 A All except New York.

19 Q Pennsylvania, Connecticut,  
20 Louisiana and Texas?

21 A Yes.

22 Q Now, who was the PHA partner for  
23 Pennsylvania?

24 A It was a consortium of housing  
25 authorities, so there were five housing

Pierce

authorities, collective, in a consortium and they formed a group called, I just know the acronym, AHI, but I can't think of the name, what that stood for.

Q Who are the housing authorities that are a part of that consortium?

A Chester Housing Authority, Allentown Housing Authority, Alleghany County was a part of that at that time.

I can't remember the small one. I want to say Mercer County, but I'm not 100 percent sure that's the name of that county, and Harrisburg Housing Authority.

Q Was the name of the consortium for the Pennsylvania bid Affordable Housing Innovators, Inc.?

A Yes.

Q And that entity was owned by the five housing authorities you just listed?

A That's correct.

Q And that was CGI's PHA partner for the bid as the prime contractor on the bid for Pennsylvania?

A That's correct.

1 Pierce

2 Q Was that bid successful -- and  
3 let me clarify that.

4 A Yes.

5 Q I understand that the rebid  
6 process, that the results of the initial rebid  
7 were later overturned.

8 But in terms of what was awarded  
9 in the initial round of the rebid, was the  
10 Pennsylvania bid successful?

11 A No.

12 Q Were any of the bids for any of  
13 your states successful?

14 A No.

15 Q Not even New York, which was your  
16 existing state?

17 A That's correct.

18 MR. MAIR: Off the record.

19 (Discussion off the record.)

20 MR. MAIR: I'm going to  
21 mark as Exhibit 41, I'm going to  
22 mark a document that was produced  
23 by CGI under the Bates number CGI  
24 10882 -- off the record.

25 (Discussion off the record.)

Pierce

MR. MAIR: Back on the  
record.

-- confidential.

So we're marking this as  
Exhibit 41. It's a memorandum of  
understanding between CGI and  
Affordable Housing Innovators,  
Inc.

(A memorandum of  
understanding between CGI and  
Affordable Housing Innovators,  
Inc., was marked as Plaintiffs'  
Exhibit 41 for identification, as  
of this date.)

BY MR. MAIR:

Q I'm showing you what's been  
marked as Exhibit 41 (handing).

Is this the memorandum of  
understanding that was entered into between CGI  
and Affordable Housing Innovators, Inc., which  
is AHI (handing)?

A (Perusing document.) Yes.

Q And did you play the primary role  
in negotiating this with AHI?

1 Pierce

2 A Yes. In that, you know, we  
3 provided it to them. If they had any issues or  
4 concerns they communicated back to us and we  
5 forwarded it off to our legal team, and they  
6 worked out any concerns between those two  
7 parties.

8 So I was just basically a conduit  
9 for information.

10 Q On the business side you were the  
11 person on the part of CGI that negotiated the  
12 deal with AHI; is that fair to say?

13 A Yes.

14 Q And the lawyers behind the  
15 scenes, they may have had discussions, but on  
16 the business side it was you?

17 A Yes.

18 Q And who did you deal with at AHI?

19 A Steve Fischer.

20 Q What was his title?

21 A He's the executive director of  
22 Chester Housing Authority.

23 I don't know what his title of  
24 this consortium was, because they didn't really  
25 identify a president, but he was the main

1 Pierce

2 representative for them.

3 Q If you look at the last page of  
4 this document, was he the acting chair?

5 A (Perusing document.) Is that  
6 what it says?

7 Yeah, that would be Steve.

8 Q And this was entered into  
9 December 24, 2009, correct?

10 A Yes.

11 Q So this was entered into before  
12 HUD announced that it was considering a unit cap  
13 in January of 2010; is that correct?

14 A Yes.

15 Q The MOU with AHI was entered into  
16 before the unit cap, before HUD announced that  
17 it was considering a unit cap, correct?

18 A Yes.

19 Q Did CGI ever enter into a new MOU  
20 or any new written agreement with AHI after the  
21 unit cap was announced by HUD?

22 A Yes, based on the 49/51 percent  
23 split.

24 Q So it's your recollection that a  
25 new MOU was entered into that reflected the

Pierce

49/51 split?

A Yes.

Q You recall that definitively?

A I recall the conversation, and we had to -- my conversation with Steve and crew, yes, we would have entered a new MOU.

Q You had discussions with Mr. Fischer about entering into a new MOU to reflect the 49/51 work allocation?

A We had conversations, I had conversations with him and his team or him and the other partners on the 49/51 percent split, and as a result of that, you know, we would have issued a new MOU.

So I'm almost certain we had a new MOU for that.

Q I want to be very clear here, just because of the language you used.

You said "we would have," and I think you said you were almost certain.

A Yes.

Q I just want to find out sitting here today, let's break it into two pieces.

Do you recall sitting here today

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having discussions with Mr. Fischer about entering into a new MOU to reflect the 49/51 split regardless, I'm breaking this into two.

First of all, I'm going to ask you about discussions and then about whether a document was actually signed.

And I want to find out how strong your recollection is.

A Yes.

Q So in terms of the discussions, did you have discussions with Mr. Fischer about entering into a new MOU to reflect the 49/51 split?

A So yes, yes, we did have a conversation about a new MOU.

Q Now, did CGI and AHI ever actually sign a new MOU after the December 2009 MOU that's marked as Exhibit 41?

A If we discussed the 49/51 split, we would have revised an MOU and so we would not have submitted a bid without the MOU.

Q Okay. This is what I want to differentiate with you.

You sound like you are making an

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assumption.

A Okay.

Q Sitting here today, do you have a  
actual recollection of a new MOU being signed  
with AHI to reflect the 49/51 percent split?

A I don't recall. Maybe I'm mixing  
up various MOUs.

So I'll rest with that.

Q But Pennsylvania, the  
Pennsylvania bid with AHI was submitted as a  
49/51 bid, correct?

A Yes.

Q Now, with respect to Connecticut,  
who was the PHA partner that you submitted the  
bid with there?

A Norwalk Housing Foundation, which  
is the subsidiary of Norwalk Housing Authority,  
or their nonprofit arm.

Q Who is the PHA partner who you  
submitted the bid together with for Louisiana?

A East Baton Rouge Parish Housing  
Authority.

Q East Baton Rouge?

A Parish Housing Authority.

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Q And who was the PHA partner that you submitted the bid with for Texas?

A Houston Housing Authority.

Q And Connecticut, Louisiana and Texas were all submitted as 49/51 bids, correct?

A Yes.

Q Did you enter into new MOUs with any of the three of those bidding partners, that is for Connecticut, Louisiana and Texas, that reflected a 49/51 split between the two?

A I'll go back to yes.

Q You recall that sitting here today?

A I can't see the document in my mind.

And I can't recall, so I can't recall.

Q If you look at Exhibit 41, we are going back to Pennsylvania right now, Exhibit 41 is the MOU for Pennsylvania from December of 2009.

If you look at Page 2, which differentiates CGI's responsibilities, the last bullet point talks about implementation and

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operations phase.

Do you see that?

A Yes.

Q And the MOU states there, quote,  
that CGI, quote, "Will perform all  
performance-based contract administration tasks  
set forth in the ACC with the exception of the  
annual audit and certain quality control and HUD  
reporting functions," close quote.

Do you see that?

A Yes.

Q It's fair to say that that does  
not accurately reflect a 49/51 split, correct?

A That's correct. At this time,  
yes.

Q It's correct in terms of what  
this document says?

A Yes.

Q I'm going to show you what was  
previously marked as Exhibit 22 (handing).

Now, let me, this is for the  
record, produced by CGI with the Bates numbers  
CGI 4447 confidential.

First of all, I want to point out

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what counsel have previously agreed to, and that is that the date on this document down at the bottom is not an accurate date.

A Okay.

Q It's something that presumably was automatically populated the date it was printed.

So it bears no relation to the actual document.

A Okay.

Q Do you recognize this document?

A (Perusing document.) Yes, I've seen the dashboard before, yes.

Q Can you tell me what the dashboard is?

A Just simply communicated what was the status or what was, you know, just generic information about a specific PHA partner and the pursuit for the groups that we were responsible for.

Q So is it fair to say that this dashboard represents a snapshot at a certain point in time during the rebid process; is that fair to say?

1 Pierce

2 A Yes.

3 Q And as of whatever point in time  
4 that was, does this dashboard reflect the  
5 allocation of the responsibility for pursuing  
6 certain jurisdictions allocated as between the  
7 four, actually the five directors?

8 A Yes.

9 Q Now, if you look under your  
10 section here on the dashboard, you see that  
11 Oklahoma is listed under your area of the  
12 dashboard?

13 A No.

14 Q Under Erica Owens, do you see  
15 that?

16 A Yes, I do see that.

17 Q So my question is, does that  
18 refresh your recollection that at some point in  
19 time you had responsibility for Oklahoma in the  
20 rebid pursuit?

21 A No, it does not call me to  
22 recollect it.

23 Q Regardless of whether you recall  
24 it today, do you have any reason to believe that  
25 this dashboard is inaccurate in terms of the

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allocation of that state to you at some point in the rebid process?

A I have no reason to believe that it's not accurate.

Q So you --

A I just don't recall it.

Q Now, you listed four states that you were responsible for the bids on under a 49/51 scenario.

A Uh-hum.

Q That's Pennsylvania, Connecticut, Louisiana and Texas, right?

A Yes, that's correct.

Q Did you have discussions with the PHA partner, the bidding partner, on any of those four state bids about the possibility of transferring back some FTEs in the 51 percent to CGI at some point after the bid of the contract was awarded?

A I don't recall that. I don't recall any conversation about transferring back.

Q I just want to make sure I understand.

Sitting here today, can you

1 Pierce

2 categorically state that you never had such a  
3 conversation or is it your testimony that you  
4 just don't recall it taking place?

5 MR. KLEIN: You mean about  
6 transferring back?

7 Q Yes, on transferring back the  
8 51 percent.

9 A I'd say I didn't have any  
10 conversation on transferring back.

11 Q So your testimony today is that  
12 you can state categorically that you never had  
13 such a conversation?

14 A Yes, that's my testimony today.

15 Q With any of those state PHA  
16 partners?

17 A As I'm reflecting on the  
18 conversation regarding the 49/51 percent split,  
19 it meant more money for them, so they all were  
20 pretty excited.

21 So I don't recall a conversation  
22 of considering transferring people back, so  
23 that's not something that I remember.

24 Q 49/51 bidding provided more money  
25 to the PHA partner than the original bidding

1 Pierce

2 procedure that was being discussed, correct?

3 A Yes.

4 Q And correspondingly less money to  
5 CGI, correct?

6 A True.

7 Q CGI made less money in a 49/51  
8 scenario than they did in an original bidding  
9 scenario with the PHA where CGI was going to do  
10 most or all of the work?

11 A Yes.

12 Q So was there ever a discussion at  
13 any point in time amongst anyone in the rat pack  
14 about whether or not it could be possible to  
15 move some of the 51 percent FTEs over to CGI  
16 after a contract was awarded?

17 MR. KLEIN: Object to the  
18 form.

19 A No, I -- if there was  
20 conversation had, I wasn't there.

21 I don't recall that conversation.

22 It was, you know, deliver for the  
23 client what the clients needed and win a  
24 contract.

25 Q Let me ask you to differentiate.

1 Pierce

2 A Okay.

3 Q Is it your testimony sitting here  
4 today categorically that you never were present  
5 for any such conversation, or is it your  
6 testimony today that you do not recall being  
7 present for any such conversation?

8 A To the best of my memory, I would  
9 say I was not present for such conversation.

10 So that's my testimony.

11 It's not registering.

12 So I would say, no, I wasn't  
13 present for that conversation.

14 Q It's your testimony today  
15 categorically that you were never present for  
16 such a conversation?

17 A It's my testimony that I was not  
18 involved or I don't -- I definitely don't recall  
19 it, but if you rested on me today, no, I wasn't  
20 there for that conversation.

21 MR. MAIR: I don't have  
22 any further questions.

23 (Whereupon, at 12:41 p.m.,  
24 the deposition was concluded.)

25

Pierce

\_\_\_\_\_  
LESLIE PIERCE

Subscribed and sworn to  
before me  
this [REDACTED] day of [REDACTED], 2013.

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## I N D E X P A G E

Witness	Examination By	Page
Leslie Pierce	Mr. Mair	4

## EXHIBITS

Plaintiff's Exhibits	Description	Page
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41	A memorandum of understanding between CGI and Affordable Housing Innovators, Inc.	73
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C E R T I F I C A T E

STATE OF NEW YORK )

) ss.

COUNTY OF NEW YORK )

I, MARGARET M. HARRIS, a Shorthand  
(Stenotype) Reporter and Notary Public of  
the State of New York, do hereby certify  
that the foregoing Deposition, of the  
witness, LESLIE PIERCE, taken at the time  
and place aforesaid, is a true and correct  
transcription of my shorthand notes.

I further certify that I am neither  
counsel for nor related to any party to  
said action, nor in any wise interested in  
the result or outcome thereof.

IN WITNESS WHEREOF, I have hereunto  
set my hand this 29th day of July, 2013.

---

MARGARET M. HARRIS

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